

"It will do us no good to have cheap gas and have no gas. * * * Means must be found not to discourage the exploration for new sources of gas."

Obviously the effect of utility-type regulation would be to stifle the required exploratory drilling.

FRANK M. PORTER,
President, American Petroleum Institute.
New York, January 20, 1956.

PHANTOM FREIGHT CHARGES TO AUTOMOBILE PURCHASERS

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent editorial entitled "Phantom Freight and You," which was printed in the Tulsa Tribune of January 25, 1956. It is a very cogent editorial, and discusses an overcharge of some \$280 million in phantom freight now being paid by automobile purchasers throughout the country by means of the phantom freight device.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PHANTOM FREIGHT AND YOU

Of the many irons United States Senator MIKE MONRONEY has in the fire, none is viewed as it heats up with more interest and cheer than the one with which he hopes to burn out the practice of levying "phantom freight" charges on buyers of new automobiles. He is chairman of the Senate subcommittee hearing the protests of automobile dealers and individual purchasers.

"Phantom" is the word for the practice that has grown up with the automobile industry or charging the car buyer the railroad freight rate on the delivery of his car from the factory. The car 99 times out of 100 doesn't travel by railroad freight car. It comes on a big truck that hauls several cars, is towed behind another new car or loaded on a barge and floated down a river. It is delivered for about \$40 less than is packed into the sales price, according to Paul E. Herzog, research manager of the National Automobile Dealers Association.

Senator MONRONEY calls this "socking" the auto buyer, and it is. It is a quarter of a billion dollar sock a year to the family pocketbook.

The Federal Reserve Board is paying a lot of attention these days to mounting consumer credit. Installment debt now totals \$27.3 billion. Short term consumer debt is \$7.7 billion more. The automobile debt stands at \$15 billion of this, a rise of about \$5 billion in the last year.

The average family owes about \$1,330 on installment purchase, of which \$542 is owed on an automobile, \$288 on furniture or household appliances, \$62 on repair or modernization loans and \$204 on personal advances. (On noninstallment debt, the average breakdown is \$103 on single payment loans due, \$123 owed on charge accounts and \$68 on service credit for doctor and dentist bills and the like. On home purchases the average is \$5,700 still due.)

We pause here to suggest readers may be interested in comparing their debt status with the average head of a household, and then go on to point out that yesterday President Eisenhower asked Congress for a standby law that would permit him to clamp controls on credit when they go wild.

While such a law would undoubtedly be useful in a clutch, and might turn a debacle into a gentle slide, it is aimed at just one segment of the population, the buyer. We hope Senator MONRONEY's committee will pursue its investigation of "phantom freight" charges on automobiles to the end that they

will be abolished, too. That will put every new auto buyer about a month closer to sole ownership of the car than he would otherwise be, and might be the straw taken off Joe Spelvin's back that will let him carry the load without stumbling.

AMENDMENT OF THE NATURAL GAS ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 1853) to amend the Natural Gas Act, as amended.

Mr. CLEMENTS. Mr. President, as acting majority leader I should like to inquire if there are any requests at the desk for time to be used by speakers this afternoon.

The PRESIDING OFFICER. There are no requests.

Mr. WILEY. Mr. President, I am expecting material from my office, and I request a little time.

Mr. CLEMENTS. Does the acting majority leader understand correctly that the Senator from Wisconsin intends to speak this afternoon?

Mr. WILEY. Yes.

Mr. CLEMENTS. Mr. President, I am delighted to hear that, because it was my understanding that no Members of the Senate had left their names at the desk as indicating their desire to speak this afternoon. It is good to know that the Senator from Wisconsin will use a part of the time available this afternoon.

I should like to call to the attention of other Members of the Senate, particularly those who wanted to place the date for voting on the pending bill over until next Monday, that there is time available for speaking this afternoon, and I take it the same situation will be true on tomorrow. I encourage all Senators who wish to speak on the bill to be ready to speak after the morning hour on tomorrow if they are not prepared to speak today.

The PRESIDING OFFICER. What is the pleasure of the Senate?

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1463, S. 1456.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1456) to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended, with an amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill (S. 1456) to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 4, line 21, after the word "cases", to strike out "unless the Com-

mission determines that a hearing is not necessary in the public interest" and insert "where a request therefor is made by a telephone company, an association of telephone companies, a State commission, or local governmental authority", so as to make the bill read:

Be it enacted, etc., That section 212 of the Communications Act of 1934, as amended, is amended to read as follows:

"Sec. 212. After 60 days from the enactment of this act it shall be unlawful for any person to hold the position of officer or director of more than one carrier subject to this act, unless such holding shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby: *Provided*, That the Commission may authorize persons to hold the position of officer or director in more than one such carrier, without regard to the requirements of this section, where it has found that one of the two or more carriers directly or indirectly owns more than 50 percent of the stock of the other or others, or that 50 percent or more of the stock of all such carriers is directly or indirectly owned by the same person. After this section takes effect it shall be unlawful for any officer or director of any carrier subject to this act to receive for his own benefit directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends of such carriers from any funds properly included in capital account."

Sec. 2. Section 219 of the Communications Act of 1934, as amended, is amended by inserting at the beginning of the second sentence of subsection (a) the words "Except as otherwise required by the Commission," so that the section will read:

"Sec. 219. (a) The Commission is authorized to require annual reports under oath from all carriers subject to this act, and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with, any such carrier, to prescribe the manner in which such reports shall be made, and to require from such persons specific answers to all questions upon which the Commission may need information. Except as otherwise required by the Commission, such annual reports shall show in detail the amount of capital stock issued, the amount and privileges of each class of stock, the amounts paid therefor, and the manner of payment for the same; the dividends paid and the surplus fund, if any; the number of stockholders (and the names of the thirty largest holders of each class of stock and the amount held by each); the funded and floating debts and the interest paid thereon; the cost and value of the carrier's property, franchises, and equipment; the number of employees and the salaries paid each class; the names of all officers and directors, and the amount of salary, bonus, and all other compensation paid to each; the amounts expended for improvements each year, how expended, and the character of such improvements; the earnings and receipts from each branch of business and from all sources; the operating and other expenses; the balances of profit and loss; and a complete exhibit of the financial operations of the carrier each year, including an annual balance sheet. Such reports shall also contain such information in relation to charges or regulations concerning charges, or agreements."

Sec. 3. Section 221 (a) of the Communications Act of 1934, as amended, is amended to read as follows:

"Sec. 221. (a) Upon application of one or more telephone companies for authority to consolidate their properties or a part thereof into a single company, or for authority for one or more such companies to acquire the whole or any part of the property of another telephone company or other telephone companies or the control thereof by the purchase of securities or by lease or in any other like manner, when such consolidated company would be subject to this act, the Commission shall give reasonable notice in writing to the governor of each of the States in which the physical property affected, or any part thereof, is situated, and to the State commission having jurisdiction over telephone companies, and to such other persons as it may deem advisable, and shall afford such parties a reasonable opportunity to submit comments on the proposal. A public hearing shall be held in all cases where a request therefor is made by a telephone company, an association of telephone companies, a State commission, or local governmental authority. If the Commission finds that the proposed consolidation, acquisition, or control will be of advantage to the persons to whom service is to be rendered and in the public interest, it shall certify to that effect; and thereupon any act or acts of Congress making the proposed transaction unlawful shall not apply. Nothing in this subsection shall be construed as in anywise limiting or restricting the powers of the several States to control and regulate telephone companies."

Sec. 4. Section 410 (a) of the Communications Act of 1934, as amended, is amended by inserting before the words "the Commission" in the second sentence of the section the words "an examiner provided for in section 11 of the Administrative Procedure Act, designated by" so that the section will read as follows:

"Sec. 410. (a) Except as provided in section 409, the Commission may refer any matter arising in the administration of this act to a joint board to be composed of a member, or of an equal number of members, as determined by the Commission, from each of the States in which the wire or radio communication affected by or involved in the proceeding takes place or is proposed. For purposes of acting upon such matter any such board shall have all the jurisdiction and powers conferred by law upon an examiner provided for in section 11 of the Administrative Procedure Act, designated by the Commission, and shall be subject to the same duties and obligations. The action of a joint board shall have such force and effect and its proceedings shall be conducted in such manner as the Commission shall by regulations prescribe. The joint board member or members for each State shall be nominated by the State commission of the State or by the governor if there is no State commission, and appointed by the Federal Communications Commission. The Commission shall have discretion to reject any nominee. Joint board members shall receive such allowances for expenses as the Commission shall provide."

Mr. CLEMENTS. Mr. President, I understand the distinguished Senator from Rhode Island [Mr. PASTORE] is present and will explain the bill.

Mr. PASTORE. Mr. President, the bill was introduced at the request of the Federal Communications Commission. It proposes four amendments to the Communications Act of 1934. The bill was unanimously approved by the subcommittee and by the full committee.

The proposed legislation is designed to eliminate certain procedural burdens involving the regulation of communication common carriers which the experience of the Federal Communications Commission has shown to be unnecessary and unduly restrictive.

Section 212 of the Communications Act at present requires that authority must be obtained from the Commission before any person may hold the position of officer or director of more than one common carrier subject to the act. Such person must show that neither public nor private interests will be adversely affected by his holding such positions. The section was designed to prevent the abuses which might be expected to flow from so-called interlocking directorates. However, nearly all the applications for authority to hold dual positions received by the Commission involve companies under common ownership. In recent years the FCC has been called upon to consider many requests by officers or directors of one company of a commonly owned or controlled system, such as the Bell System of the American Telephone & Telegraph Co. to serve as well in a similar capacity with respect to another company within the system.

The need of an amendment to section 219 (a) arises primarily out of the development and growth of certain new types of limited or specialized common carriers in the communications field, particularly in the mobile and maritime fields. Section 219 (a) of the act authorizes the Commission to require annual reports of common carriers. The first sentence of section 219 (a) gives the Commission discretionary authority to require common carriers to submit annual reports of financial, statistical, and other information. Once the Commission requires the report to be submitted, the second sentence of section 219 (a) which is couched in mandatory terms prescribes a long list of data which shall be included in such annual reports.

Section 221 (a) of the act requires the Commission to hold public hearings upon all applications requesting authority to consolidate telephone properties or authority of one telephone company to acquire the property or control of another.

In this connection, the committee thought that, as a further safeguard, we should amend the bill, which we did, to allow the interested parties to intervene if they so desired.

I repeat that to a large extent it is a procedural bill. By that, I mean that it relieves the Commission of certain burdens incident to procedure. The bill was suggested by them, and is looked upon favorably by every member of the Committee on Interstate and Foreign Commerce.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1456) was ordered to be engrossed for a third reading, read the third time, and passed.

VISIT TO THE SENATE BY MEMBERS OF THE KABUKI DANCE TROUPE

Mr. CLEMENTS. Mr. President, I yield to my distinguished friend, the Senator from Wisconsin, for an assign-

ment he has taken unto himself, and a very pleasant one, indeed.

Mr. WILEY. I thank the Senator from Kentucky.

Mr. President, today we have been delighted to welcome our distinguished visitor, Prime Minister Eden, spokesman for that great nation, the United Kingdom, and the British Commonwealth of Nations. He is a fine gentleman, and a good friend of America. I am sure that the address he made will appeal to all Americans.

I have risen now to invite attention to the fact that we are welcoming, too, another type of visitor—whom we are also proud to have on our shores. I refer to the Azuma Kabuki dancers and musicians, the distinguished symbol of the rich, historic art and culture of our sister nation of Japan.

The Prime Minister of the United Kingdom said, in speaking to the Senate, that we are engaged in a war of ideology. Reduced to simple terms, that means that where we of the West can be friends and can understand each other, we strengthen the ties against communism. So I am very happy today to welcome this fine group.

This, their second triumphal tour of North America, has been arranged directly from Tokyo by the great impresario, S. Hurok. It has been effected with the cooperation of His Imperial Highness, Prince Takamatsu, and the Japanese Ministry of Foreign Affairs.

Everyone even slightly familiar with Japanese culture and society realizes how deep are the roots of Kabuki dance, song, and drama in Japan. The roots are deep; they are old; they are honored; and they are universal in that great land.

The members of the troupe are present in the Senate gallery this afternoon. I should like, at the present time, to ask unanimous consent of the Senate, so that the members of the troupe may arise, and so that we may convey, by our applause, our warmest greetings to them.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The Chair is sure there is no objection; and it is so ordered. [Applause, Senators rising.]

Mr. WILEY. Mr. President, I have sought to focus attention on this troupe, because they are not just another dance group. They are the dance group of a great country, Japan.

They symbolize ancient Japan, with all its proud traditions. They hold a warm spot in the hearts of the Japanese people, which equals or surpasses the affection of almost any country for its great artists and for their artistic forms.

We want the Japanese people to know that we are truly delighted that the Kabuki troupe has been visiting our country, and that it will visit Europe, as well.

We gladly recall that when our own noted Symphony of the Air journeyed from our shores to Japan, it met with a magnificent reaction.

Today I should like the people of Japan to know that we have not forgotten the warm welcome which they so graciously gave to our performers; and it is our pleasure to reciprocate their courtesy.